

MISSION Your Safety • Your Mobility Your Economic Opportunity



Fiscal Year 2015 Annual Report

Clear and understandable information for our citizens.

New Revenue at Work

The 2015 Idaho Legislature increased user fees, providing approximately \$58 million in additional ongoing funding to ITD annually and approximately \$39 million to cities, counties, and highway districts.

ITD had 27 projects shovel-ready for FY16—less than three months after the funding increase was signed by the governor.

The Legislature also provided a portion of the general fund surplus for two years to fund projects on the State Highway System.

Investment Pays

- GARVEE investments reduced total injury crashes in GARVEE corridors by 34% and total fatal crashes by 79% after projects were completed.
- In FY15, ITD invested vehicle registration fees and revenue from the 25¢ per gallon state fuel tax to pave 226 lane miles of highway and replace or perform significant maintenance on nine bridges.
- ITD's investment of \$1.5 million in a port-of-entry weigh-in-motion system on I-90 will save trucking companies more than \$1 million per year in fuel and labor costs. Shipments will reach their destinations faster.

Demographics

Five-year comparison	2010	2015
• Idaho Population	1.57 Million	1.63 Million
• Licensed Drivers	1.07 Million	1.13 Million
• Registered Cars, Trucks and Trailers	1.58 Million	1.67 Million
• Annual Vehicle Miles Traveled in Idaho	15.6 Billion	16.1 Billion*
• Tons of Freight Traveling in Idaho Annually	184.5 Million	194.1 Million**
• Lane Miles on the State Highway System	12,240	12,284
• Bridges on the State Highway System	1,807	1,824
• Miles of Scenic Byways	2,412	2,468

*Calendar Year 2014

**Estimate

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Safety

- Prioritize all safety projects to protect Idaho citizens and road users.



- Engage communities to use positive, behavior-based messaging to promote and encourage safe driving practices.

Economic Opportunity and Mobility



- Focus projects and maintenance on delivering goods and services to their destination in a timely and cost-effective manner.
- Partner with businesses and agencies to increase jobs in Idaho.

Innovative Business Practices



- Leverage technology and innovative solutions to meet ITD's strategic priorities.
- Increase cost efficiencies and customer service improvements to maximize the use of tax dollars.

Employee Development



- Develop the workforce and ITD leadership to meet the challenge of losing up to 50% of our employees during a five-year period.
- Create an environment that attracts and retains the future workforce needed to deliver the department's mission.



Accomplishments

- In 2014, Idaho had 11 percent fewer highway fatalities than in 2010, despite a 3.8 percent increase in miles traveled annually.
- ITD reduced its workforce by 7.4 percent between FY13 and FY16.
- ITD improved winter mobility 24 percent in FY15 by increasing the percent of time highways are clear of snow and ice during storms.
- ITD has received 186 national, regional, and state awards/honors for excellence and innovation since 2010. ITD received 33 awards in FY15.

Customer-Focused Performance Measures

Calendar Year ending Dec. 31	2011	2012	2013	2014
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Five Year Fatality Rate (per 100 million vehicle miles) GOAL: Zero Deaths	1.39	1.29	1.26	1.22
Days to Process Vehicle Titles GOAL: 7 days	6	8	8	9
DMV Transactions Processed on the Internet (in thousands) GOAL: 289,600	210.9	245.1	260.9	277.6
Percent of Bridges in Good Condition GOAL: 80%	74%	75%	74%	74%

Fiscal Year ending June 30	2011	2012	2013	2014	2015
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Percent of Time Highways Clear of Snow/Ice During Winter Storms GOAL: 55%	28%	47%	54%	59%	73%
Percent of Pavement in Good or Fair Condition GOAL: 82%	87%	86%	85%	86%	85%

For more information, see : <http://itd.idaho.gov/Dashboard>

Innovative Business Practices

- ITD used innovative design and construction methods to limit the time the new Lardo Bridge on Idaho 55 was closed to only 35 days, reducing the impact on the McCall area. Using a standard process would have required one-lane traffic for six to eight months.
- ITD refinanced \$182.2 million of Idaho's GARVEE bonds, saving \$15 million by lowering interest rates.
- ITD developed and implemented a compensation policy that allows pay levels for snowplow drivers to be based on performance, training, experience, and skill. This program is the first of its kind for a state agency in Idaho.

Financial Information

Includes State Highway Account, State Aeronautics Fund, and GARVEE Debt Service. Dollars are in millions and rounded.

NOTE: There was one FY14 audit finding related to stockpiling calculations for sand and salt.

	FY14 Actual	% of Total	FY15 Actual	% of Total
AUTHORIZED STAFFING LEVEL	1,814	-	1,724	-

FUNDS RECEIVED

Federal Reimbursements	\$309.9	55.2%	\$348.9	56.8%
State (Includes H.D.A.)	\$246.4	43.9%	\$261.3	42.5%
Local	\$4.9	0.9%	\$4.5	0.7%
Total Funds Received:	\$561.2	100.0%	\$614.7	100.0%

What to know:

FY15 federal reimbursements increased because of the number of construction projects.

Improved economic conditions increased FY15 state funds for transportation.

EXPENDITURES

Construction Payouts:	\$284.5	49.0%	\$302.2	51.1%
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Operation Expenses:

Highways	\$167.2	28.8%	\$158.0	26.7%
DMV	\$31.9	5.5%	\$29.6	5.0%
Administration	\$21.8	3.8%	\$22.6	3.8%
Transit	\$11.9	2.0%	\$13.6	2.3%
Facilities	\$4.0	0.7%	\$3.5	0.6%
Aeronautics	\$2.6	0.5%	\$2.2	0.4%
Total Operations Expenses:	\$239.4	41.3%	\$229.5	38.8%

What to know:

Lower fuel prices and a mild winter reduced highway expenses in FY15.

Total Construction and Operating Expenditures:	\$ 523.9	90.2%	\$ 531.7	89.9%
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GARVEE Debt-Service Transfers

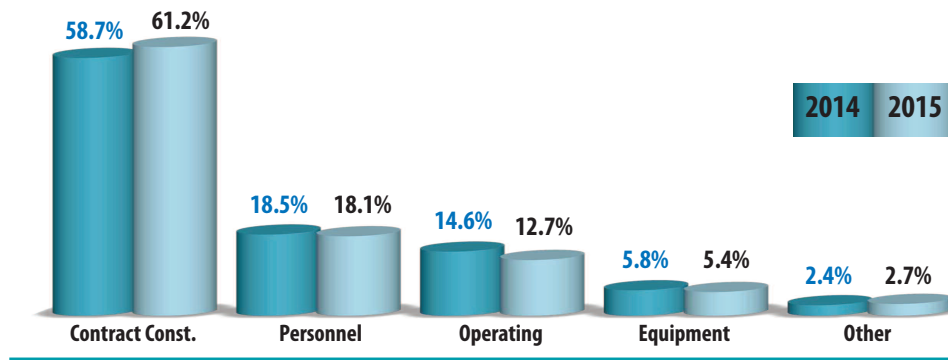
Federal	\$52.3	9.0%	\$54.9	9.3%
State	\$4.4	0.8%	\$4.6	0.8%

Total Debt-Service Transfers:	\$ 56.7	9.8%	\$ 59.5	10.1%
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Total Expenditures:	\$ 580.6	100.0%	\$ 591.2	100.0%
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Expenditure Percentages by Type (\$591.2 Million)

For more information, see:
www.itd.idaho.gov/finances



GARVEE PROGRAM (as of June 30, 2015)

FY15 Actual

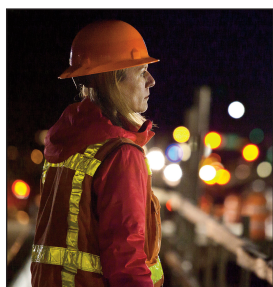
Total Amount Authorized	\$857.4
Amount of Bonds Sold	\$857.4
Amount Under Contract	\$857.4
Expended (through June 30, 2015)	\$841.0
Debt-Service Ratio Limit	30%
Debt-Service Ratio on Full Bonding	21%

What to know:

All GARVEE* projects will be substantially complete by the end of Calendar Year 2015.

*Grant Anticipation Revenue Vehicle





INVESTING THE 2015 REVENUE INCREASE

The 2015 Idaho Legislature increased state funding for transportation beginning in FY16 by increasing state fuel taxes, removing the gaseous fuel exemption, and increasing vehicle registration fees. ITD used its 60 percent share of increased fuel taxes and registration fees to advance 27 projects in FY16.

The Legislature also provided a portion of the General Fund cash surplus over the next two years to fund transportation projects on the State Highway System. ITD will receive 50% of the surplus at the end of Fiscal Years 2015 and 2016. The revenue table below shows the \$54.1 million surplus from the end of FY15. This funding source ends in 2017.

New Revenue to ITD

(Dollars in millions)

	Fuel Tax/ Registration*	General Fund Surplus
FY16	\$49.9	\$54.1
FY17	\$58.2	Unknown**

*Includes \$223,600 from elimination of gaseous-fuel permits.

**Amount will be determined in July 2016.

Projects Funded by New Fuel Tax and Registration Revenue

(Fiscal Year 2016 began on July 1, 2015. Projects below are not funded by General Fund surplus.)

	Pavement Projects	Bridge Repair Projects	Bridge Replacement Projects
FY16	14	12	1
FY17	8	2	10

Examples of Projects Funded by the New Revenue



District 1, U.S. 2
Bridge Repair
East of Priest River

District 2, U.S. 95
Pavement Restoration
East of Cottonwood

District 3, Idaho 19
Pavement Restoration
Caldwell

District 4, U.S. 93
Bridge Repair
Perrine Bridge

District 5, I-86
Pavement Restoration
Raft River / Register Rock

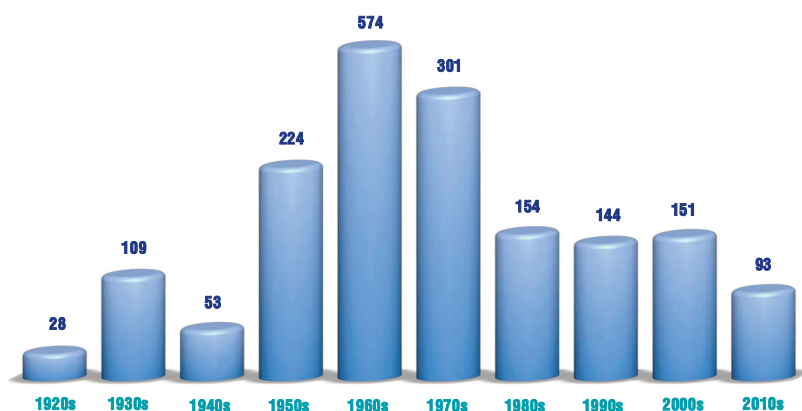
District 6, I-15
Bridge Repair
North of Idaho Falls

AGING INFRASTRUCTURE

The 2015 revenue increase was a good first step and will slow the deterioration of Idaho's aging roads and bridges, but does not provide enough funding to keep the infrastructure condition from continuing to decline.

The Enterprize Bridge, built in 1931, is one of the projects partially funded by the 2015 revenue increase. ITD does not have the funding to replace all of Idaho's aging bridges, which are designed to last 40 to 60 years.

Decade of Construction for State Bridges



Enterprize Canal Bridge
near Ririe on U.S. 26B
Replacement Cost: \$410,000

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<https://apps.itd.idaho.gov/apps/WebCommentsV2>

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